## IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA

)	
)	
)	Case No. CIV-24-245-F
)	
)	
)	
)	
)	
)	
)	
)	

## **ORDER**

The court is in receipt of the Disclosure Statement Identifying Constituents of LLC, filed by defendant JK Red Dirt Rentals, LLC (JK Red Dirt) on April 23, 2024. Doc. no. 30. Upon review, the court finds the disclosure statement is grossly defective.

Subject matter jurisdiction for this action is based upon diversity jurisdiction, 28 U.S.C. § 1332. Doc. no. 1, ¶ 7. As such, Rule 7.1(a)(2) requires that defendant's disclosure statement "name—and identify the citizenship of—every individual or entity whose citizenship is attributed to that party[.]" Rule 7.1(a)(2), Fed. R. Civ. P. "For diversity purposes, a limited liability company takes the citizenship of all its members." Spring Creek Exploration & Production Company, LLC v. Hess Bakken Investment, II, LLC, 887 F.3d 1003, 1014 (10<sup>th</sup> Cir. 2018) (quotation marks and citation omitted).

In its disclosure statement, JK Red Dirt states that its sole member is "Rix Energy Services, LLC," that "the membership of Rix is comprised of a variety of individuals and entitles who are domiciliaries and citizens of various states," and that "[n]one of the members of Rix are domiciliaries or citizens of the State of Oklahoma." Doc. no. 30.

However, Rule 7.1(a)(2) requires the disclosure statement to "name" and "identify the citizenship" of every individual or entity whose citizenship is attributed to the party. Alleging that the members of its sole member, Rix Energy Services, LLC., are citizens of various states or states other than the State of Oklahoma is not sufficient. *See*, *e.g.*, Simmons v. Rosenberg, 572 F. Supp. 823, 825 (E.D.N.Y. 1983) ("Diversity must be alleged with detail and certainty."). The disclosure statement must specifically name each member of JK Red Dirt's sole member, Rix Energy Services, LLC, and identify the state of citizenship of those members. Further, the disclosure statement must trace all the members through "however many layers of [] members there may be[.]" *See*, Gerson v. Logan River Academy, 20 F.4<sup>th</sup> 1263, 1269 n. 2 (10<sup>th</sup> Cir. 2021).

JK Red Dirt is **DIRECTED** to file, by May 1, 2024, an amended disclosure statement supplying the names and identifying the state or states of citizenship of all its members.

Although defendants Zurich American Insurance Company and American Guarantee and Liability Insurance Company have not filed a disclosure statement in compliance with Rule 7.1(a)(2), the court will not require one to be filed. The

2

<sup>&</sup>lt;sup>1</sup> If the member is an individual, JK Red Dirt must identify the individual's state of citizenship as opposed to the individual's state of residence. If a member is a business entity, then JK Red Dirt must provide the appropriate jurisdictional information pertaining to that business entity. *See generally*, 15A James Wm. Moore, Moore's Federal Practice, §§ 102.50-102.57 (3d Ed. 2021): Wright & Miller, 13 Federal Practice and Procedure, § 3630.1 (3d ed.) (application of the citizenship rule for unincorporated associations).

complaint alleges the state of incorporation and principal place of business for these entities, see, doc. no. 1,  $\P\P$  3-4, and defendant's answers, doc. nos. 26 and 27,  $\P\P$  3-4, have admitted those allegations.

Any response to plaintiff Chesapeake Operating, L.L.C.'s Motion for Partial Summary Judgment Pursuant to Federal Rule of Civil Procedure 56 (doc. no. 23) is **STAYED** pending further order of the court. In light of the court's ruling, the Unopposed Motion to Extend Deadline to Respond to Motion for Partial Summary Judgment (doc. no. 31) is **STRICKEN as MOOT**.

Any answer or other response by plaintiff Chesapeake Operating, L.L.C. to the Counterclaim of Defendant JK Red Dirt Rentals, LLC is also **STAYED** pending further order of the court.

DATED this 24th day of April, 2024.

STEPHEN P. FRIOT

UNITED STATES DISTRICT JUDGE

24-0245p007.docx